

Fifty-seventh
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1015

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions
2 under the supervision of the director of the office of management and budget; to provide for
3 various transfers and financial transactions; to provide an exemption from the provisions of
4 section 54-44.1-11 of the North Dakota Century Code; to provide statements of legislative
5 intent relating to state employee compensation adjustments; to provide for a reduction in fire
6 and tornado insurance premiums; and to provide for a statewide radio system planning fund
7 assessment.

8 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

9 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the
10 funds as may be necessary, are hereby appropriated out of any moneys in the general fund in
11 the state treasury, not otherwise appropriated, and from special funds derived from federal
12 funds and other income, to the various divisions under the supervision of the director of the
13 office of management and budget for the purpose of defraying their expenses, for the biennium
14 beginning July 1, 2001, and ending June 30, 2003, as follows:

15 Subdivision 1.

16 OFFICE OF MANAGEMENT AND BUDGET

17 Salaries and wages	\$14,057,270
18 Operating expenses	12,330,726
19 Equipment	239,500
20 Capital improvements	1,320,620
21 Grants	34,692,934
22 Statewide compensation plan	<u>5,400,000</u>
23 Total all funds	\$68,041,050

1	Less estimated income	<u>47,747,445</u>
2	Total general fund appropriation	\$20,293,605
3	Subdivision 2.	
4	STATE RADIO COMMUNICATIONS	
5	Salaries and wages	\$2,655,238
6	Operating expenses	2,270,810
7	Equipment	<u>314,136</u>
8	Total all funds	\$5,240,184
9	Less estimated income	<u>924,432</u>
10	Total general fund appropriation	\$4,315,752
11	Grand total general fund appropriation H.B. 1015	\$24,609,357
12	Grand total special funds appropriation H.B. 1015	\$48,671,877
13	Grand total all funds appropriation H.B. 1015	\$73,281,234

14 **SECTION 2. CAPITOL BUILDING FUND.** The amount of \$25,000, or so much of the
15 sum as is necessary, included in the estimated income line item in subdivision 1 of section 1 of
16 this Act, is to be spent by the administration division from the capitol building fund for capitol
17 grounds planning during the biennium beginning July 1, 2001, and ending June 30, 2003.

18 **SECTION 3. EXEMPTION.** The fiscal management appropriation contained in
19 subdivision 1 of section 1 of chapter 37 of the 1999 Session Laws is not subject to the
20 provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available
21 for continued development and operating costs of the accounting, management, and payroll
22 systems during the biennium beginning July 1, 2001, and ending June 30, 2003.

23 **SECTION 4. SPECIAL COMPENSATION ADJUSTMENTS FOR CLASSIFIED STATE**
24 **EMPLOYEES.** It is the intent of the fifty-seventh legislative assembly that the statewide
25 compensation plan appropriation included in subdivision 1 of section 1 of this Act be used for
26 market equity compensation adjustments for classified state employees. The special market
27 equity adjustments are to begin with the month of July 2001, to be paid in August 2001. The
28 special market equity adjustments are to be independent of any general salary increase
29 provided by this legislative assembly.

30 The special market equity increases are to be prioritized based on equity for employees
31 whose salaries are furthest from their respective salary range midpoints effective July 1, 2001.

1 Special market equity increases may not be given to employees whose salary exceeds the
2 midpoints of their assigned salary ranges effective July 1, 2001.

3 Probationary employees are eligible for the special market equity increases.
4 Employees whose documented performance levels do not meet standards are not eligible for
5 the special market equity increases.

6 The central personnel division shall provide a model base plan to each agency.
7 Agencies may adopt the model plan, adopt the model plan with exceptions, or offer an
8 alternative plan that meets the intent outlined in this section.

9 Upon adoption of an appropriate plan and application to the central personnel division,
10 the division shall transfer appropriated general funds or special fund spending authority for the
11 increases to the agencies.

12 **SECTION 5. INTENT - STATE EMPLOYEE COMPENSATION ADJUSTMENTS -**

13 **GUIDELINES.** It is the intent of the fifty-seventh legislative assembly that 2001-03
14 compensation adjustments for permanent state employees are to be increases of a minimum of
15 \$35 per month, beginning with the month of July 2001, to be paid in August 2001, and a
16 minimum of \$35 per month, beginning with the month of July 2002, to be paid in August 2002.
17 Any increases greater than \$35 per month may not be given across-the-board and must be
18 based on merit and equity. Each agency appropriation is increased by 3.0 percent the first year
19 of the 2001-03 biennium and 2.0 percent the second year of the 2001-03 biennium.

20 Employees whose documented performance levels do not meet standards are not
21 eligible for the general or additional increases.

22 Probationary employees are not entitled to the general or additional increases.
23 However, probationary employees may be given all or a portion of the increases effective July,
24 paid in August, or upon completion of probation, at the discretion of the appointing authority.

25 During the biennium, no salary increase other than the \$35 per month in July 2001 and
26 \$35 per month in July 2002 may be given to an employee whose salary exceeds or would
27 exceed the salary range maximum.

28 It is the intent of the fifty-seventh legislative assembly that the workers compensation
29 bureau provide pay raises based on merit and performance throughout the 2001-03 biennium.

An agency may provide average salary increases of up to 3.0 percent for the second year of the 2001-03 biennium only to the extent that the increases can be paid without an increase in the agency's appropriation.

SECTION 6. STATE AGENCIES - LINE ITEM TRANSFER AUTHORITY.

Notwithstanding the provisions of chapter 54-16, the director of the office of management and budget shall make transfers of funds between line items of an agency or institution upon the request of the agency or institution in order to provide for an average of 3.0 percent employee salary increase for the second year of the 2001-03 biennium as provided in section 5 of this Act.

SECTION 7. INTENT. Within the authority included in subdivision 1 of section 1 of this Act, are the following grants and special items:

Boys and girls clubworks	\$53,000
State contingencies	600,000
State memberships and related expenses	333,200
Firemen's association	126,000
Unemployment insurance	1,200,000
Capitol grounds planning commission	25,000
State consultant	120,000

SECTION 8. TRANSFER. During the biennium beginning July 1, 2001, and ending June 30, 2003, the director of the office of management and budget is authorized to transfer special funds to the general fund as follows:

Land and minerals trust fund	\$3,545,102
Financial institutions regulatory fund	300,000

SECTION 9. DEVELOPMENTAL DISABILITIES REVOLVING LOAN FUND -

AUTHORITY TO SELL LOANS - TRANSFERS. At the request of the director of the office of management and budget, the executive director or the department of human services shall sell such loans in the developmental disabilities revolving loan fund created under North Dakota Century Code section 6-09.6-01, as may be necessary to the Bank of North Dakota to provide \$2,700,000, or so much thereof as may be necessary, with the proceeds to be deposited in the general fund.

1 **SECTION 10. FIRE AND TORNADO FUND.** The amount of \$126,000, or so much of
2 the amount as is necessary, included in the estimated income line item in subdivision 1 of
3 section 1 of this Act, is from the fire and tornado fund.

4 **SECTION 11. BANK OF NORTH DAKOTA TRANSFERS TO STATE GENERAL**
5 **FUND.** During the biennium ending June 30, 2003, the industrial commission shall transfer to
6 the state general fund up to \$50,000,000 from the current earnings and the accumulated
7 undivided profits of the Bank of North Dakota. No more than \$15,000,000 of the amount
8 transferred shall come from accumulated undivided profits. The moneys shall be transferred in
9 the amounts and at such times as requested by the director of the office of management and
10 budget.

11 No transfers may be made that would reduce the Bank's capital structure below
12 \$100,000,000.

13 **SECTION 12. CONTINGENT BANK OF NORTH DAKOTA TRANSFERS TO STATE**
14 **GENERAL FUND - BUDGET SECTION APPROVAL.** If, during the biennium ending June 30,
15 2003, the director of the office of management and budget determines via revised projections
16 that general fund revenue collections will not meet the revenues as forecast in the March 2001
17 legislative forecast, then the industrial commission shall transfer to the state general fund an
18 additional amount, as determined by the director of the office of management and budget as
19 approved by the budget section, from the earnings and accumulated and undivided profits of
20 the Bank of North Dakota. The moneys must be transferred in amounts and at such times as
21 requested by the director of the office of management and budget. The additional amount
22 transferred may not exceed the lesser of \$25,000,000 or the revenue shortfall of actual
23 collections compared to the March 2001 legislative forecast.

24 No transfers may be made that would reduce the Bank's capital structure below
25 \$100,000,000.

26 **SECTION 13. STATEWIDE RADIO SYSTEM PLANNING FUND.** The estimated
27 income line item included in subdivision 2 of section 1 of this Act includes \$400,000, or so
28 much of the sum as is necessary, to be made available to state radio communications from the
29 statewide radio system planning fund for developing a statewide radio system engineering plan
30 during the biennium beginning July 1, 2001, and ending June 30, 2003.

SECTION 14. REDUCTION IN STATE FIRE AND TORNADO INSURANCE

PREMIUM. Notwithstanding section 26.1-22-14 and other sections in chapter 26.1-22, the commissioner of insurance shall reduce the insurance premium of every entity insured with the state fire and tornado fund for the first year of the biennium beginning July 1, 2001, and ending June 30, 2003. The reduction for each entity is fifteen percent of the insurance premium paid by that entity for the fiscal year ending June 30, 2001.

SECTION 15. STATEWIDE RADIO SYSTEM PLANNING FUND ASSESSMENT. The commissioner of insurance shall assess and collect from every entity insured with the state fire and tornado fund a statewide radio system planning fund assessment in an amount equal to twelve and one-half percent of the entity's insurance premium for the first year of the biennium beginning July 1, 2001, and ending June 30, 2003. The commissioner shall use the applicable collection procedures provided for in chapter 26.1-22 to collect the statewide radio system planning fund assessments and deposit all money collected under this section in the statewide radio system planning fund.

SECTION 16. STATEWIDE RADIO SYSTEM PLANNING FUND. There is created in the state treasury a statewide radio system planning fund. The fund consists of statewide radio system planning fund assessment money collected by the commissioner of insurance under section 15 of this Act. The money in this fund is to be used by state radio communications for a statewide radio system engineering plan. Any excess funds remaining in this fund on June 30, 2003, must be deposited in the state fire and tornado fund.

SECTION 17. FEDERAL PROGRAM TERMINATIONS - BLOCK GRANT - FUNDING REDUCTIONS - RELATED PROGRAM REDUCTIONS - REPORTS TO THE BUDGET

SECTION. If the federal government during the 2001-03 biennium terminates funding for any program administered by an agency, department, or institution of the state of North Dakota, the agency, department, or institution, subject to budget section approval, may terminate the program and not replace the reduction in federal funds with state funds, notwithstanding any other provision of law. If the federal government combines funding for separate programs in a block grant resulting in a reduction of total federal funds available for those programs, the administering agency, department, or institution may, subject to budget section approval, prioritize or reprioritize programs as necessary in making programmatic reductions. The agency, department, or institution may administer funds available under a new federal block

- 1 grant or similar measure, consistent with the terms of that measure, notwithstanding any other
- 2 provision of law intended to conform to or implement the provisions of the repealed federal Act,
- 3 and shall report any program terminations, reductions, or changes resulting from this section to
- 4 the budget section of the legislative council for its approval.